



OPERATIONS MANUAL

**Serviamus Mutual Benefit Association, Inc.
(Serviamus MBA)**

**4th Floor, Diocesan Centrum Bldg.
Lluch St., Iligan City,
Lanao del Norte
TIN: 008-534-242-000
Telephone No. (063)223-2493 | Fax No. (063)221-5327
E-mail: serviamus_mba@yahoo.com**

TABLE OF CONTENTS

Title	Page Number
Chapter I: History and Institutional Background	3
Chapter II: Vision, Mission and Objectives	4
Chapter III: Organizational Structure	5
Chapter IV: Personnel Duties and Responsibilities	6
Chapter V: Product Features	9
Chapter VI: Operating Policies and Procedures	11
Section 1: Member Qualifications and Requirements	11
Section 2: Member Mobilization	12
Section 3: Collection	17
Section 4: Claims Validation and Payment	18
Section 5: Accounting	22
Section 6: Financial Management	22
Section 7: Management Information System	23
Chapter VII: Management	23
Chapter VIII: Governance	25
Annexes	
A. Implementing Rules & Regulations	
B. Constitution and By-Laws	
C. List of Forms	

Chapter I: History and Institutional Background

SERVIAMUS FOUNDATION INC. HISTORY

For more than two decades, the Diocese of Iligan has been actively addressing the malnutrition problem in its area of jurisdiction. However, a deeper realization has evolved from years of experience; that to be able to effectively combat this problem, poverty, the root cause of malnutrition, should relevantly respond to another approach or a methodology must be adopted. Thus, credit scheme came into being. The loaning project further grew with the support from Food Transition Strategy (FTS) of the Catholic Relief Services (CRS) through the implementation of the Small Enterprise Development Program. This aimed to be established at the Diocesan level, a credit program which has potential of sustainability and impact, at the same time, support viable and sustainable income generating projects at the barangay level which served as continuing source of income for the supported families. The Small Enterprise Development Program (SEDP) continued providing loan assistance to individual micro-entrepreneur. Two years later, problems cropped up one after another as repayment rate dropped significantly and more clients were incurring arrears and bad debts. Nevertheless, the program was determined to move ahead.

It was during this time that Catholic Relief Services (CRS) was vent on the instruction of the Grameen Banking technology for all its partners. Given all the opportunities and commitment/enthusiasm of all the staff, Grameen Bank replication was fully implemented on June 1997. As the program geared towards growth in terms of outreach and quality, it also transformed from being church-based to Non-Government Organization (NGO). On the 19th of October 1998, **SERVIAMUS FOUNDATION INC. (SFI)** legally entered into mainstream of development institutions.

As SFI continued to provide loan assistance, they also provided financial assistance in times of loss (death of member and dependents) thru Mutual Aid Fund (MAF). The members pay a weekly contribution of five pesos and receive maximum of Five Thousand Pesos (PhP5,000) as financial assistance. In 2007, the management and Board decided that MAF must be enhanced by providing bigger benefits and bigger premium to its members. The Enhanced Mutual Aid Fund (EMAF) program gives a beneficial impact to the members as well as to the community, yet the risk became higher because the premium and benefits did not undergo actuarial study. Last 2013, the SFI Board of Trustees and management decided to create a Mutual Benefit Association. It was registered in Securities and Exchange Commission (SEC) last May 24, 2013 and got a license from the Insurance Commission last January 27, 2014 with the License No. **2013-32-O**.

Chapter II: Vision, Mission and Goal

Section 1. Vision

We are a Diocesan service-oriented institution committed towards building a proactive, empowered, and God-centered community.

Section 2. Mission

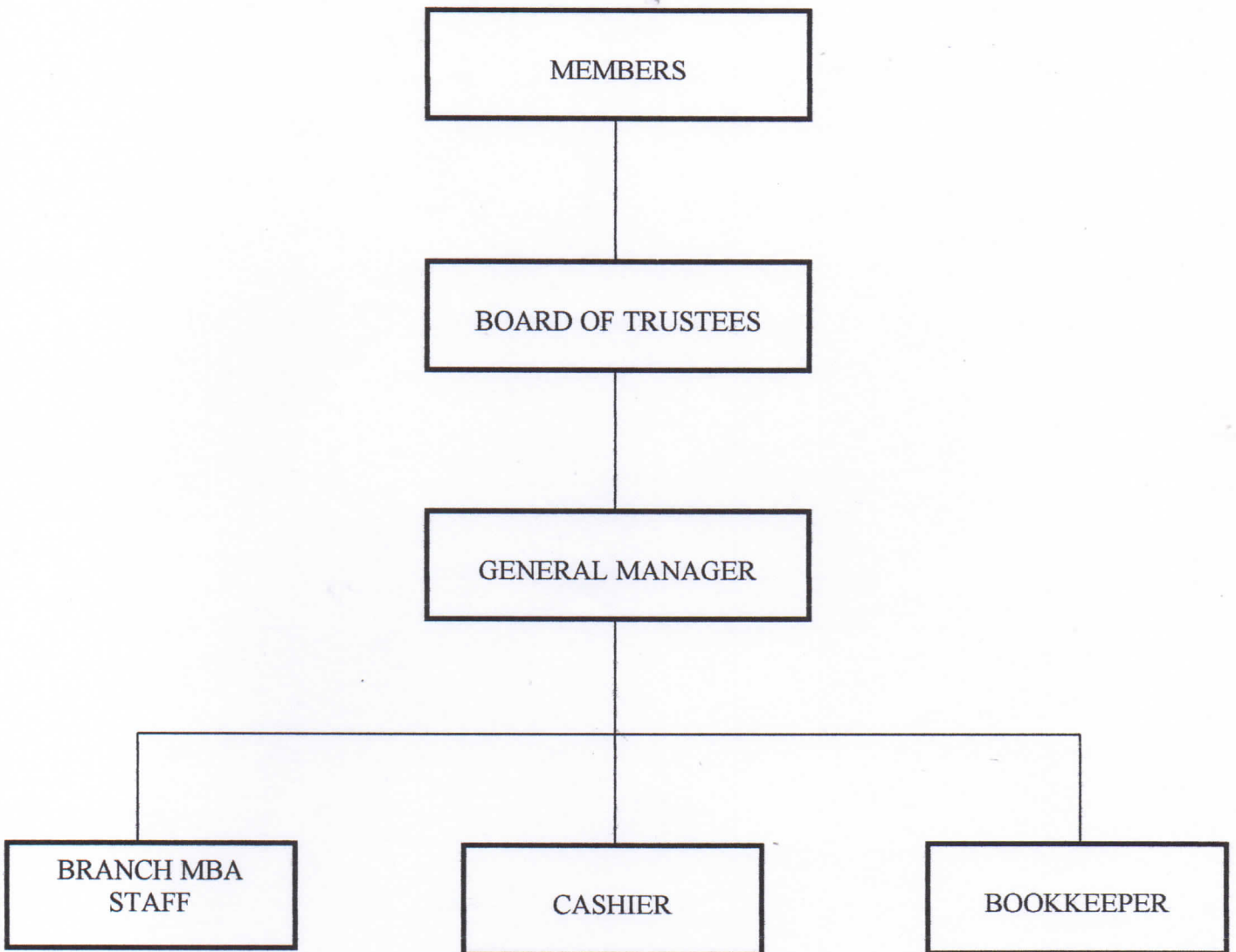
To serve and empower people in managing their own resources. (Old)

Revised Mission Statement (March 2018 Strategic Planning): “To provide members with affordable and accessible protection against life cycle risk.

Section 3. Serviamus MBA Objectives

1. To extend financial assistance to its members, spouse, children, and parents in the form of death benefits, total and permanent disability (TPD), sickness benefits, retirement savings and loan redemption assistance;
2. To ensure continued access to benefits/resources by actively involving the members in the management of the association that will include implementation of policies and procedures geared towards sustainability and improve services; and
3. To ensure compliance with administrative and regulatory issuances, rulings and directives by professionalizing the association, management, research and development, and technical services operations.

Chapter III: Organizational Structure



Chapter IV: Personnel Duties and Responsibilities

Section 1. GENERAL MANAGER

General Duties and Responsibilities

Responsible for the overall planning, supervision, administration, and coordination of the MBA operations. Prepares and monitors MBA budget and implement control measures to achieve targets and objectives

Specific Duties and Responsibilities

1. Implements and coordinates the microinsurance operations to the SFI branches and Head Office in accordance with established policies and procedures
2. Responsible for marketing the product to other organization / institution aside from SFI
3. Responsible for product planning and recommends to the BOT for approval
4. Evaluates, recommends or approves MBA application/ proposals within authorized approval limits.
5. Approves or recommends approval expenditures within provisions of existing procedures within authorized approval limits.
6. Monitors and safeguards fund needs and utilization to maximize income.
7. Responsible for developing and maintaining staff whose qualifications and performance meet the requirements of each assignment to degree necessary to assure continued satisfactory operations.
8. Maintains all buildings, equipment and facilities and sees to it that all necessary steps are taken to safeguard company's properties through security precautions.
9. Develops and maintains cordial relationship with the members, government agencies, and other partner agencies for proper accreditation of activities and to ensure viability of continuous operation in the assigned area of responsibility.
10. Prepares and submits MBA performance reports to the Board of Trustees.
11. Performs other works may be assigned by the BOT from time to time.

Section 2. CASHIER

General Duties and Responsibilities

Responsible for safekeeping cash collection, checks, disbursements and other cash items.

Specific Duties and Responsibilities

1. Receives cash / check payments, issues the corresponding official receipts and deposits to bank. Safe keeps cash/check collections after banking hours.
2. Prepares request for payments, disbursement voucher and checks, and pays to identified payees.
3. Facilitates claims by preparing vouchers, checks and check registry for the signature of recognized signatories.
4. Updates Cash in Bank, counterchecks deposit slips, and bankbooks.
5. Prepares and submits Daily Cash Position Report, Premium Collections, Claims Reports and Disbursement reports.
6. Petty cash custodian (disbursements and replenishments).
7. Performs other works maybe assigned by the management from time to time.

Section 3. BOOKKEEPER

General Duties and Responsibilities

Responsible for maintaining complete records and reports of all financial transactions.

Specific Duties and Responsibilities

1. Posts and updates records of all financial transactions in the following books of accounts: General Ledger, Cash Disbursements Book (CDB), Cash Receipts Book (CRB), General Vouchers, Subsidiary Records.
2. Reconciles bankbooks with CRB & CDB and journalizes adjusting entries.

3. Prepares and submits monthly summary of financial transactions: Trial Balance, Bank Reconciliation, Balance Sheet, Income Statement, Summary of Disbursements and Receipts and Schedules of other accounting reports.
4. Prepares and submits reports and/or permits as mandated by government agencies such as: BIR, SSS, PhilHealth, PAG-IBIG, and/or any government agencies that affect the MBA operations.
5. Custodian of office supplies, caretaker of branch equipment and other properties.
6. Files and reports financial records properly.
7. Perform other works may be assigned by the management from time to time.

Section 4. MBA STAFF

General Duties and Responsibilities

Responsible for the effective administration of MBA from members' application, recording, processing, renewals, and servicing of claims.

Specific Duties and Responsibilities

1. Distributes MBA application forms to the members through the Business Development Specialists (BDS) and records control numbers to the logbook.
2. Verifies filled-out application forms and the required support documents for correctness and completeness for approval of the General Manager
3. Uploads data to the MBA system and filing of approved application forms/policy
4. Posts premium payment to the MBA system.
5. Reviews claim documents and facilitates claim of members/beneficiaries benefits.
6. Prepares and maintains back up files to be submitted to the Head Office monthly.
7. Prepares and submits monthly reports.
8. Works closely with the Branch Manager and General Manager.
9. Perform other works maybe assigned by the management from time to time.

Section 5. COMPLIANCE OFFICER

General Duties and Responsibilities

Responsible for the compliance of regulatory bodies and legal requirements of the association.

Specific Duties and Responsibilities

1. Shall ensure that a company complies with its outside regulatory and legal requirements as well as internal policies and by laws.
 - a. Quarterly Reports to IC
 - b. Annual Reports to IC
 - c. SEC GIS and FS
 - d. AMLC
 - e. CIC
 - f. BIR
2. To work with management and staff to identify and manage regulatory risk.
3. Perform other works maybe assigned by the management from time to time.

Chapter V: Product Features

Serviamus MBA provides life insurance coverage to its recognized members and their legal dependents in accordance with the schedule of benefits agreed upon by the Board of Trustees (BOT), the General Assembly, and with the written approval of the Insurance Commission. The table below summarizes the key product features of Serviamus MBA.

Section 1. Insurance Benefits of a Recognized Member

Serviamus MBA shall pay the benefits of the Certificate of Membership to its member and his/her legal dependents in accordance with the following schedule (amounts in Philippine Pesos):

Length of Membership	Causes	Benefits (Amounts in Philippine Pesos)	
		Member	Dependents
Six (6) months or less from the date of effectivity or last reinstatement date	Death Due to Pre-existing Condition	2,500.00	None
	Death Due to Accident	5,000.00	None
	Total and Permanent Disability (TPD)	2,500.00	None

More than six (6) months but less than one (1) year	Death Due to Natural Cause	10,000.00	2,000.00
	Death Due to Accident	20,000.00	4,000.00
	Total and Permanent Disability (TPD)	10,000.00	None
One (1) year but less than two (2) years	Death Due to Natural Cause	20,000.00	3,000.00
	Death Due to Accident	40,000.00	6,000.00
	Total and Permanent Disability (TPD)	20,000.00	None
Two (2) years but less than three (3) years	Death Due to Natural Cause	30,000.00	4,000.00
	Death Due to Accident	60,000.00	8,000.00
	Total and Permanent Disability (TPD)	30,000.00	None
Three years and above	Death Due to Natural Cause	50,000.00	5,000.00
	Death Due to Accident	100,000.00	10,000.00
	Total and Permanent Disability (TPD)	50,000.00	None

1.1 Death or Total and Permanent Disability Benefit

Upon Death of the member, the designated beneficiary/ies will be indemnified according to the schedule of life benefits. Moreover, upon total and permanent disability (TPD) of the member, he/she will be indemnified according to the schedule of life benefits given in Table 1 of Serviamus MBA Table of Benefits.

It is understood that upon full payment of benefit due to total and permanent disability, his/her Certificate of Membership shall be automatically terminated and no more benefit shall be payable to dependents

1.2 Accidental Death Benefit

Accidental death is defined as a loss of life resulting directly, independently and exclusively of all other causes, or of bodily injury effected solely by external, violent and accidental means, except in the case of drowning or if internal injury revealed by an autopsy, if it is not forbidden by law, there is evidence of a visible contusion or wound on the exterior of the body occurring within one hundred eighty (180) days from date of such injury.

1.3 Member's Equity Value

A member with three years continuous membership shall be entitled to an equity value equivalent to at least FIFTY PER CENTUM (50%) of his/her total gross contributions paid, interest shall be credited to the Equity Value Fund annually at a rate to be determined by the Board of Trustees based on a current prevailing interest rate. This Equity Value, inclusive of interest thereon is payable upon termination of

his/her membership from Serviamus MBA including death or total and permanent disability.

Upon reaching the termination age of sixty-five (65) years old, the member shall be entitled to payment of the member's equity value.

1.4. Daily Hospitalization Income Benefit (DHIB)

If a sickness or injury results in the hospital confinement of the member or his/her spouse for not less than twelve (12) hours on the first day, Serviamus MBA shall pay the benefits under the following schedule:

	Table 2. Daily Hospital Income Benefit (DHIB) For members and his/her spouse with at least one (1) year of continuous membership
Member	Php200 per day up to maximum of five (5) days per year
Spouse	Php100 per day up to maximum of five (5) days per year

Section 2. Membership Fees

- a. Members shall be charged THIRTY PESOS (PhP30.00) weekly contribution or its equivalent for other modes of payment for benefits described above.
- b. Members shall be charged a one-time membership fee of ONE HUNDRED PESOS (PhP100.00). This fee is not refundable, nor will it be included for purposes of determining the member's accumulated and refundable contributions.

Product details can be found in the Implementing Rules and Regulations (IRR) attached as "Annex A".

Chapter VI: Operating Policies and Procedures

This chapter explains in details the operating systems and procedures of Serviamus MBA duly approved by its Board of Trustees. Specifically, it outlines the policies, procedures, documentation and responsibility assignment of those who are directly involved in the implementation of the micro-insurance program.

Section 1: Membership Qualifications and Requirements

1.1 Membership Qualifications

- 1.1.1. Must be at least eighteen (18) years old but not more than sixty (60) years old as of enrollment date.
- 1.1.2. Must be an active member of Serviamus Foundation, Inc. (SFI) or employee of SFI or Serviamus MBA or other organized groups accredited by Serviamus MBA.

1.2 Membership Requirements

1.2.1 Fully accomplished application form plus required documents such as:

- For Married Applicants: birth certificate, marriage contract, birth certificate of dependent/s.
*For Common Law Partners, in lieu of marriage contract, the applicant must submit the following: Certificate of No Marriage, Barangay Certification or Affidavit of Cohabitation
- For Unmarried Applicants and Single (Unmarried) but with children: birth certificate, birth certificate of dependent/s.
- For those with legally adopted children as dependents: legal adoption papers

Supporting documents must be submitted within six (6) months to designated branches.

1.2.2 An applicant must have completed the orientation on policies and guidelines of Serviamus MBA.

Section 2: Member Mobilization

Member mobilization is necessary to raise awareness and instill commitment among officers, staff and members to a common vision of socio-economic security as well as to Serviamus MBA's mission of providing affordable, accessible, and adequate risk protection to members. It aims to attain full acceptance, enrollment, and participation of members in the micro-insurance program, and ensure their sustained participation.

Generally, Serviamus MBA coordinates and oversees over-all member mobilization activities. Serviamus MBA designs and ensures the use of official Serviamus MBA documents, gathers application documents from Serviamus Foundation members and other affiliated groups, and ensures data entry into Management Information System (MIS). Serviamus MBA provides application forms and issues Certificates of Membership.

2.1 Member Application (New Enrollees)

- 2.1.1. The Business Development Specialist (BDS) conducts an orientation and briefs applicants regarding benefits, policies and procedures of the MBA.

- 2.1.2. The MBA Staff provides the application forms which will be distributed by the BDS.
- 2.1.3. The applicant secures and accomplishes an application form and submits the required documents as described in Section 1.2 of Chapter IV.
- 2.1.4. The BDS receives and check the application form, supporting documents.
- 2.1.5. The BDS submits the application requirements to the MBA staff for validation. If the requirements were insufficient, the application form and documents will be returned to the applicant thru the BDS.
- 2.1.6. MBA staff submits validated forms to SFI Branch Manager/ Branch OIC for approval.
- 2.1.7. The MBA staff encodes the applicant's information and files his/her documents.
- 2.1.8. The applicant pays the membership fee and first payment in cash or thru loan deduction.
- 2.1.9. The SFI Branch cashier receives payment.
- 2.1.10. General Manager (GM) signed the completed application form and issue Certificate of Membership.
- 2.1.11. The MBA staff endorses a Certificate of Membership and approved application forms to the BDS for distribution to the successful applicant.

2.2. Member Application (Existing Members)

- 2.2.1. The MBA personnel conduct an orientation and briefs applicants regarding benefits, policies and procedures of the MBA.
- 2.2.2. The MBA Staff provides the application forms which will be distributed by the BDS.
- 2.2.3. The applicant secures and accomplishes an application form and submits the required documents as described in Section 1.2 of Chapter IV. Supporting documents from the old Enhanced Mutual Aid Fund (EMAF) application can be attached to the new MBA application form.
- 2.2.4. The BDS receives and check the application form, supporting documents.
- 2.2.5. The BDS submits the application requirements to the MBA staff for validation. If the requirements were insufficient, the application form and documents will be returned to the applicant thru the BDS.
- 2.2.6. MBA staff submits validated forms to SFI Branch Manager/ Branch OIC for approval.
- 2.2.7. The BDS submits the application requirements to the MBA staff for validation. If the requirements were insufficient, the application form and documents will be returned to the applicant thru the BDS.
- 2.2.8. MBA staff submits validated forms to SFI Branch Manager/ Branch OIC for approval.
- 2.2.9. The MBA staff encodes the applicant's information and files his/her documents.
- 2.2.10. General Manager (GM) signed the completed application form and issue Certificate of Membership.
- 2.2.11. The MBA staff endorses a Certificate of Membership and approved application forms to the BDS for distribution to the successful applicant.

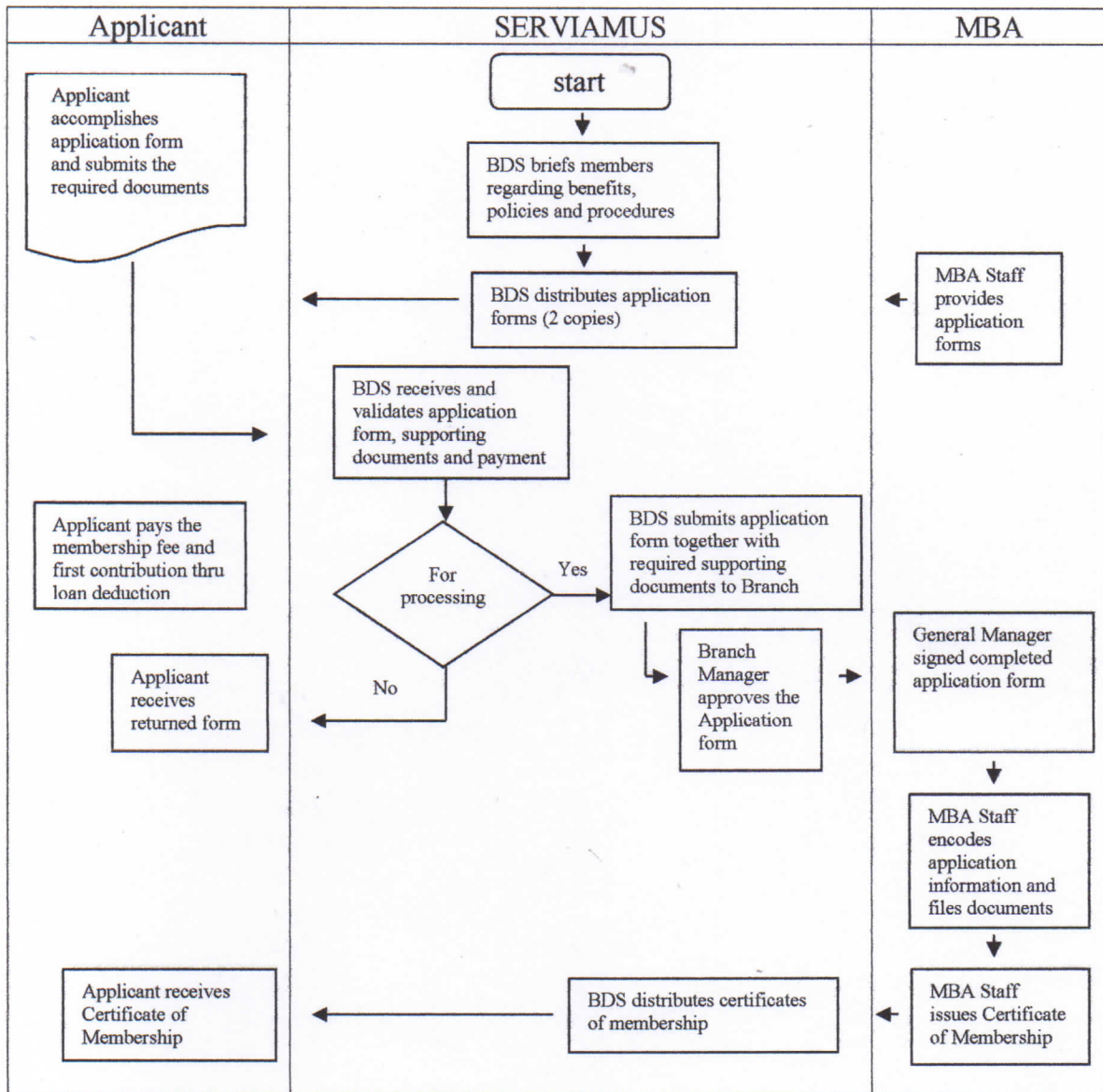


Table 1: New Enrollees

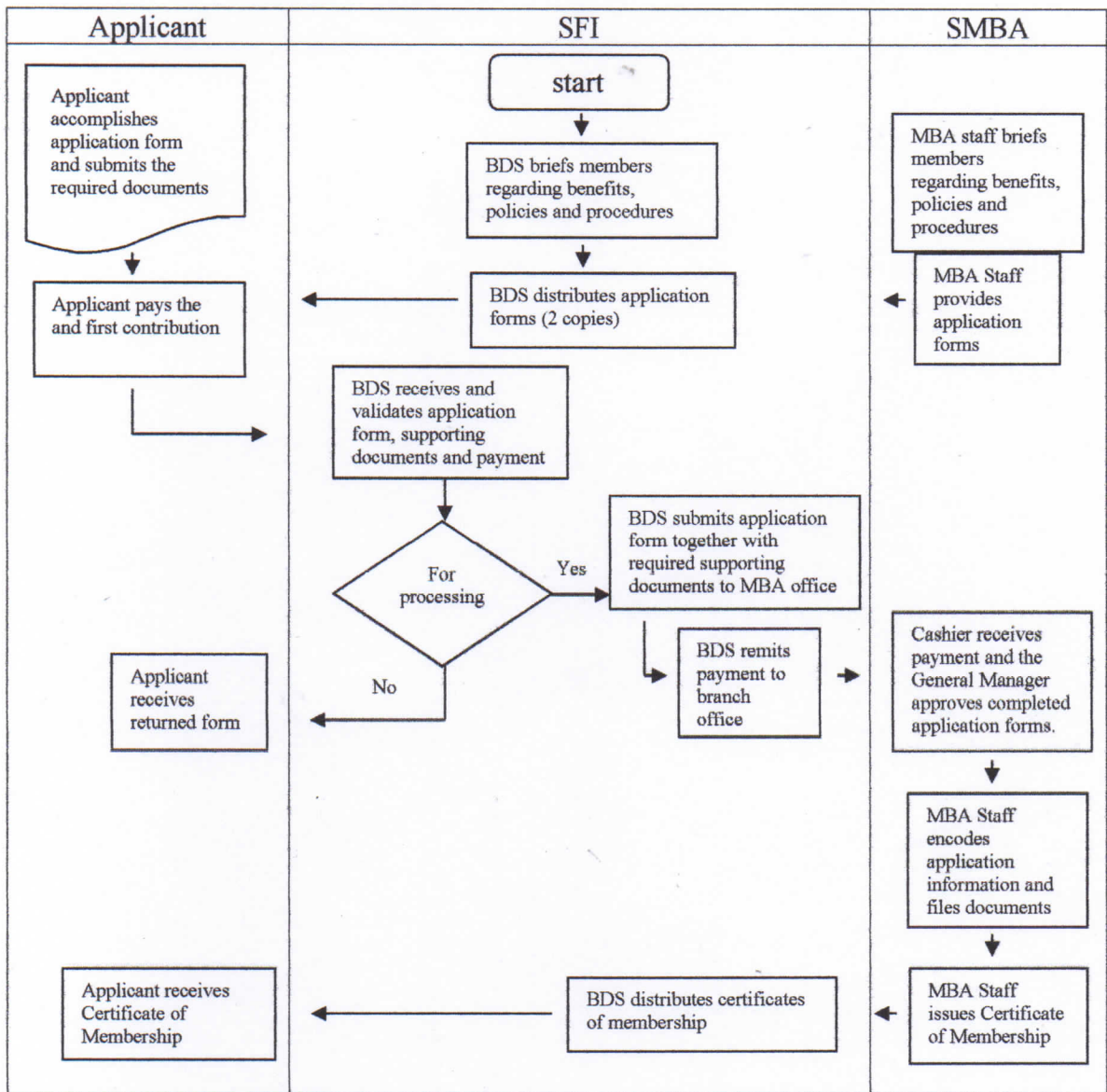


Table 2: Existing Members

2.3 Member Beneficiary/Dependent Update

Amendment forms for beneficiary or dependent update are available on all branches.

- 2.3.1 The member secures, accomplishes and submits Amendment Form to the branch.
- 2.3.2 The BDS receives submitted form and forwards to MBA staff.
- 2.3.3 The MBA staff receives, processed, and reviewed submitted form.
- 2.3.4 The Branch receives amendment form for recommended for approval.
- 2.3.5 Amendment form submitted to General Manager for Approval.
- 2.3.6 MBA staff updates members' record.

2.4 Member Resignation

- 2.4.1 The member secures, accomplishes and submits Resignation/Exit Form.
- 2.4.2 The MBA staff receives, processed, and reviewed submitted form
- 2.4.3 The Branch receives Resignation/Exit form for recommended for approval.
- 2.4.4 The MBA staff determines member dues based on system generated information and prepares a request for payment.
- 2.4.5 The Branch Cashier disburses cash/check at the branch office at most one (1) week.

2.5 Member Reinstatement

- 2.5.1 The MBA staff identifies members with lapse membership, provides list of members who are in need of reinstatement and provides forms for reinstatement.
- 2.5.2 The member fills-out and submits form within fifteen (15) days.
- 2.5.3 The BDS endorses the reinstatement form to MBA staff for processing and endorsed to Branch Manager for recommended for approval.
- 2.5.4 Branch Manager endorses to General Manager for approval
- 2.5.5 The General Manager approves reinstatement form.
- 2.5.6 The Branch cashier collects reinstatement fee, issues an official receipt and deposits collection.
- 2.5.7 The MBA staff makes a summary of collection including collection sheets.
- 2.5.8 The MBA staff issues a Certificate of Membership which will be given by the BDS to the reinstated member.
(Note: All Reinstatement transactions must be done in SFI / MBA office.)

2.6. Member Transfer

- 2.6.1. The member requests an endorsement letter to be sent to the branch.
- 2.6.2. The Center Chief (CC) and the BDS approves the letter of endorsement at most one (1) week.
- 2.6.3. The member secures and accomplishes a Member Transfer Form.

- 2.6.4. The MBA staff endorses documents such as ledgers, application forms, and other supporting documents within one (1) week. (Transfer to another Branch)
- 2.6.5. The MBA staff (other Branch) verifies the submitted documents and records in the logbook.

Section 3: Collection

Collection ensures complete and accurate payment of premiums from Serviamus MBA members. It is important that Serviamus MBA management monitors the number of members regularly paying the right amount of premiums at the right time, the total amount collected and the cost of collection or collection fee.

Serviamus MBA sets premiums based on financial and actuarial projections approved by the Board of Trustees and the Insurance Commission. Serviamus MBA receives collection reports and acknowledges receipt upon remittance to Serviamus MBA office. Serviamus MBA shall establish a separate bank account for its funds.

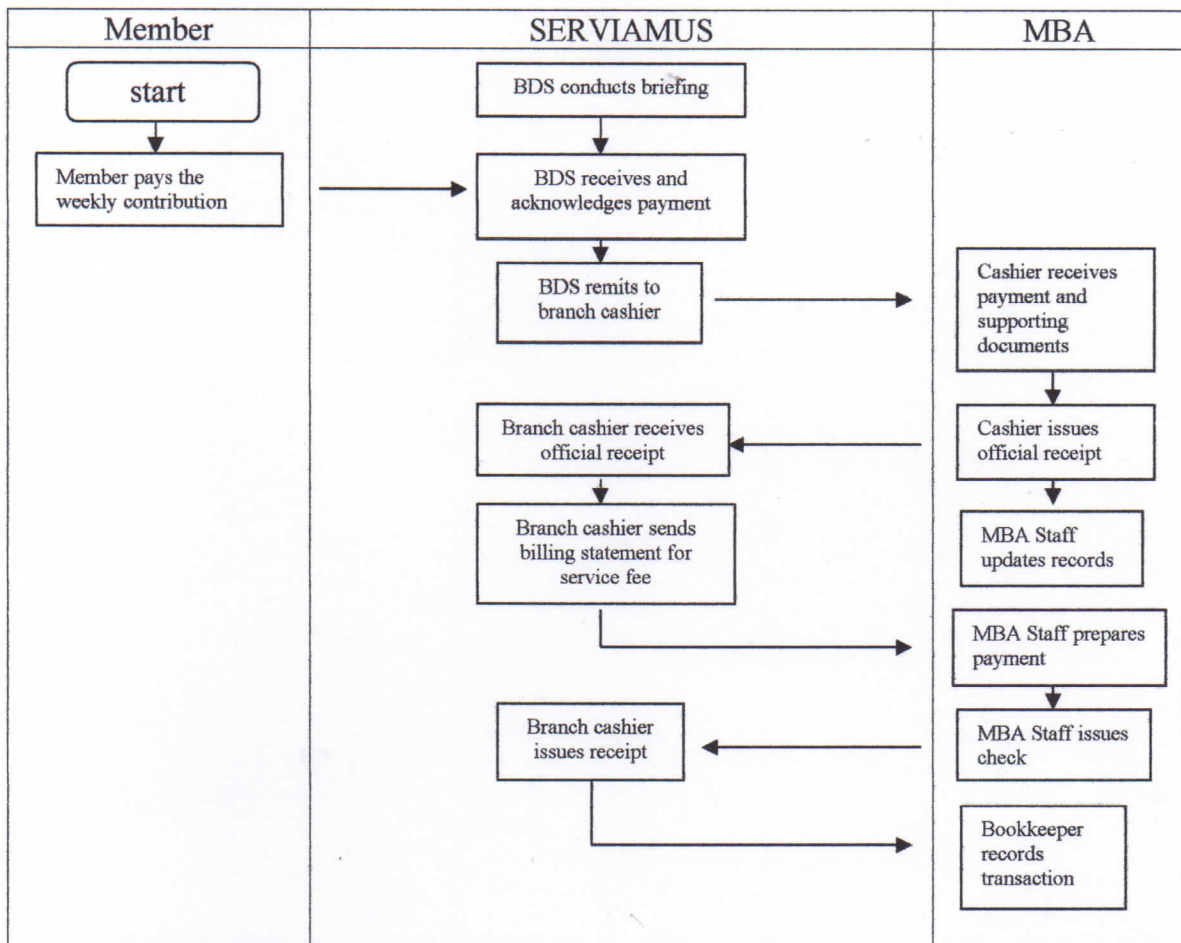
Center to SFI Branch

- 3.1. The member pays the weekly contribution amounting to PhP30.00 during the Center Meeting.
- 3.2. The BDS receives and acknowledges the payment, issues OR and remits to the Bank / Branch cashier; Collection Sheet submit to MBA Staff
- 3.3. Once an official receipt was issued, the MBA staff updates the record.

SFI Branch to MBA Office

- 3.4. The Branch Bookkeeper prepares request for payment and approved by Branch Manager.
- 3.5. The Branch Cashier prepares check for payment to MBA
- 3.6. Upon received, the MBA cashier issues Official Receipt.

Table 3: Collection



Section 4: Claims Validation and Payment

Serviamus MBA adheres to the 1-3-5 policy of settling claims. Serviamus MBA is committed to process and settle claims within one day given the completeness of documentations and for a maximum of five days with finality.

Claims validation controls moral hazard and fraud. It ensures proper documentation of all claims so that the right claims amount is determined. It is important for Serviamus MBA management to monitor the number of claims processed, average validation time, extent of completeness of supporting documents, and detection and avoidance of fraud.

In the event of member/dependent's death, the remains must be available for ocular inspection. Otherwise, favorable action on claims is held in abeyance.

Serviamus MBA records all reported claims whether verbal, written, or rejected.

Claims payment ensures the settlement of Serviamus MBA's financial obligations to legitimate claimants. It is important that Serviamus MBA management monitors the

number and amount of claims paid, average payment time, cost of processing payment and accuracy and completeness of payment records.

4.1. Claims and Validation Payment (Basic Life Insurance)

- 4.1.1. The Beneficiary/Center informs the branch
- 4.1.2. MBA staff processed request for payment form. And submit to MBA Office for approval
- 4.1.3. The supporting documents are if a member dies:
 - a. Death Certificate Original or certified true copy (Original must be presented)
 - b. Application Form
 - c. Printed Loans, Savings and Equity Value Ledger
 - d. Center Endorsement
 - e. One (1) Valid ID of Beneficiaries (photocopy with three (3) specimen signature)
 - f. If the Beneficiary is below seven (7) years old and living with parent; the payee is directly to Parent; if other than Parent the Guardian is required to submit Affidavit of Guardianship.
 - g. Original copy of Police Blotter or Incident Report if Accidental death
- 4.1.4. The supporting documents if a dependent dies:
 - a. Death Certificate original or certified true copy (Original must be presented)
 - b. Application Form
 - c. Center Endorsement
 - d. Marriage Certificate or Barangay Certification for live-in if the dependent is spouse
 - e. Birth Certificate other than spouse
- 4.1.5. The General Manager approves/disapproves the claim.
- 4.1.6. If the claim was disapproved, the MFI Branch will inform the Member/Beneficiary/ies of the decision.
- 4.1.7. Cashier releases payment to the Member/Beneficiary/ies.
- 4.1.8. The MBA staff updates claims logbook.

4.2. Claims Validation and Payment (Daily Hospitalization Income Benefit)

- 4.2.1. The member or any group member informs the Center or branch of the hospitalization immediately and submits documents as proof of confinement.
 - a. Medical Certificate (Original copy); (photocopy) if the original copy is intended for government use
 - b. Billing Statement (Original or photocopy)
 - c. Application Form
 - d. Center Endorsement

- 4.2.2. The BDS receives and validates proof of confinement such as medical certificate, and billing statement.
- 4.2.3. The BDS sends the documents to the MBA staff.
- 4.2.4. MBA staff processed request for payment form. And submit to MBA Office for approval
- 4.2.5. The General Manager approves/disapproves the claim.
- 4.2.6. If the claim was disapproved, the MFI Branch will inform the Member/Beneficiary/ies of the decision.
- 4.2.7. Cashier releases payment to the Member/Beneficiary/ies.
- 4.2.8. The MBA staff updates claims logbook.

Table 4: Claims Validation and Payment (BLIP)

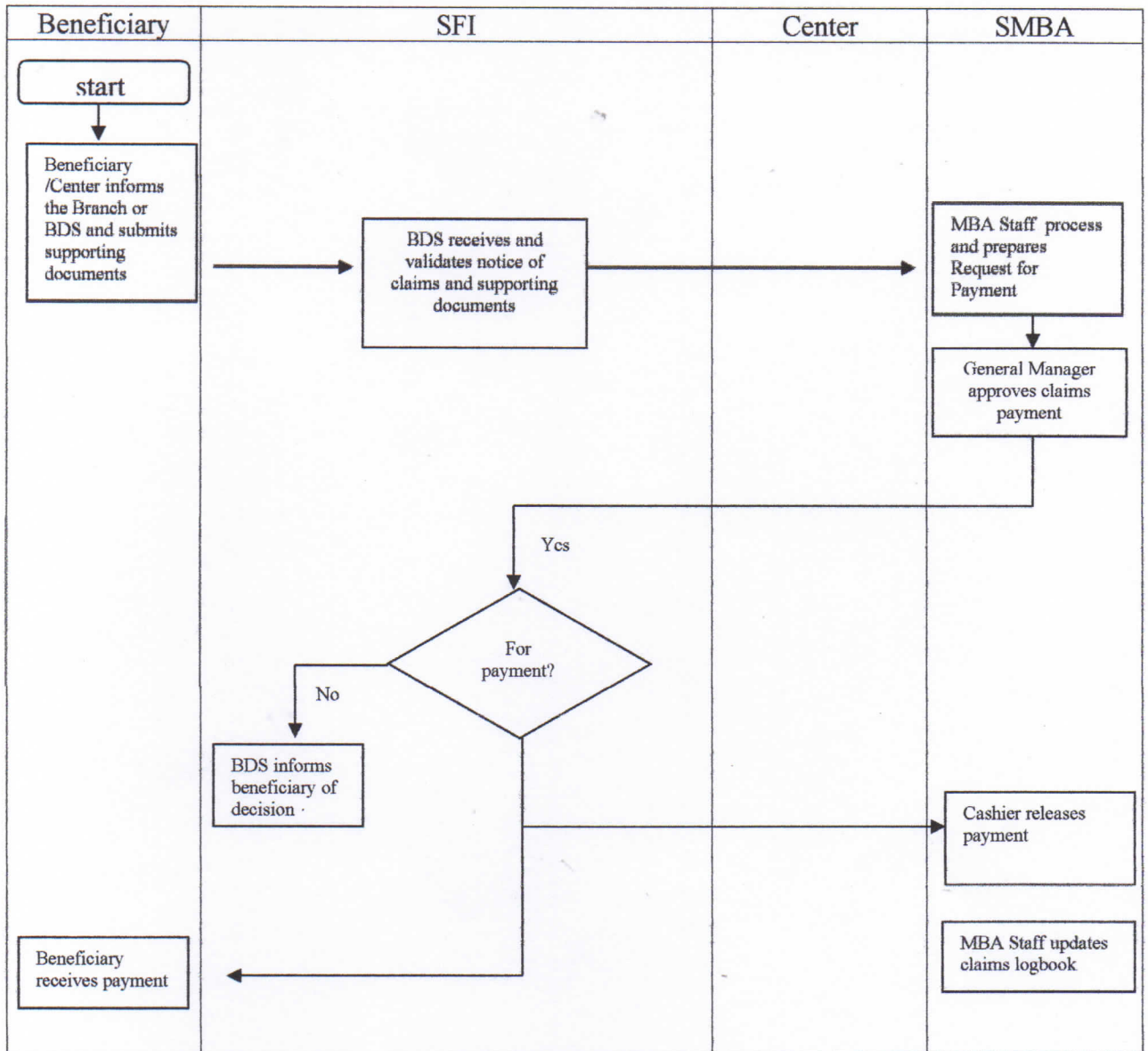
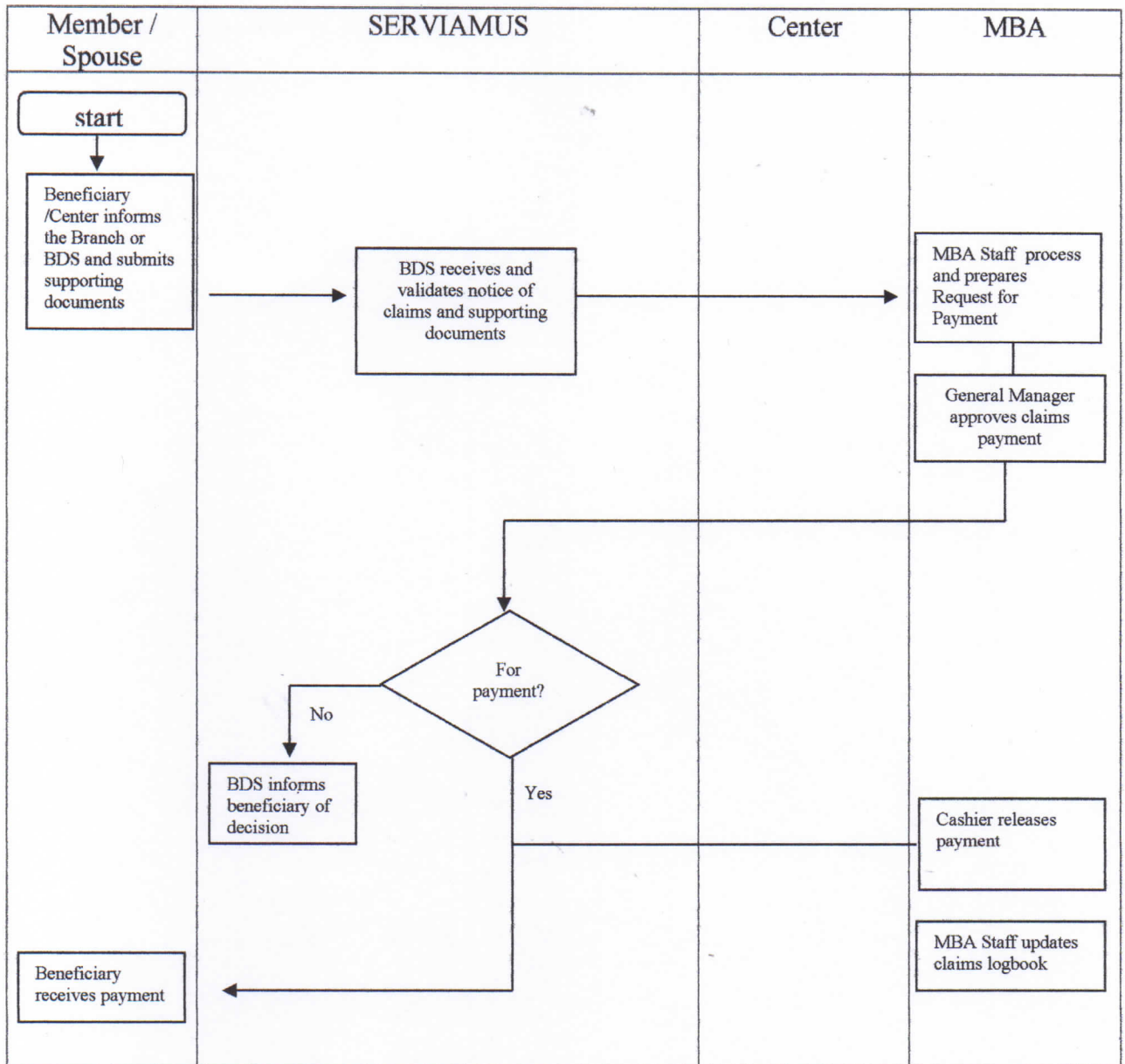


Table 5: Claims Validation and Payment (DHIB)



Section 5: Accounting

Accounting generates financial transactions data that management can use to exercise effective and efficient operations control as well as plan corrective and/or strategic action. Accounting ensures that comprehensive and accurate records are maintained, timely preparation and distribution of reports, usefulness of reports to management and Board of Trustees, and compliance with regulatory requirements.

Section 6: Financial Management

Financial management aims to maximize the return on funds through the management of sources and uses of funds subject to budgets that ensure reserve requirements and operational efficiency and effectiveness.

Section 6.1 Sources of Funds

The sources of funds for Serviamus MBA include those related to member mobilization such as the membership fees and premium contributions collected on a weekly basis. Other sources can be derived from favorable experience to take into account income from investments, savings from mortality, and savings from expenses.

Section 6.2 Uses of Funds

The uses of funds for Serviamus MBA is comprised primarily of the death benefits including those with pre-existing conditions, total and permanent disability benefits, accidental death benefits, and refund of equity value.

Section 6.3 Investment of Funds

The Insurance Commission regulates the investments of MBAs in accordance with Title 4 of the Insurance Code of the Philippines. It is the policy of Serviamus MBA to seek prior approval of the IC for all investment-related transactions.

Section 6.4 Fund Monitoring

Serviamus MBA monitors its performance based on SEGURADO performance indicators particularly in the areas of:

Efficiency ratio - net receipts must be higher than disbursements

Solvency ratio - admitted assets should be at least greater than assumed liabilities

The Board of Trustees formulates the policies, guidelines, and programs to carry out the objectives of Serviamus MBA. It shall promulgate rules and regulations for the effective exercise of powers and function of management. Upon recommendation of management, the BOT shall adopt and approve annual budget of receipts and expenditures for the effective management, operation and administration of Serviamus MBA. The BOT shall invest the funds of Serviamus MBA directly or indirectly in accordance with Insurance Code. The BOT shall approve and adopt guidelines affecting investments, insurance coverage, settlement of claims, disposition of assets, etc.

Section 7: Management Information System

The Management Information System (MIS) generates relevant information that is organized and reported to Serviamus MBA BOT, officers and staff to improve decision making, problem solving, strategic planning, monitoring, and performance evaluation. It is important that Serviamus MBA management maintains a comprehensive and accurate recording of information needed to manage operations effectively and efficiently, timely

preparation and distribution of reports, and usefulness of reports to management and BOT.

Serviamus MBA shall develop a good MIS system that identifies data events, information to record and responsible persons to gather data. Moreover, Serviamus MBA shall develop the forms needed to capture the needed data, identify the data source and determine the frequency of collection. The MBA shall consider data events related to the following:

- Pre-operations
- Operations start-up
- Member mobilization
- Collection
- Claims Validation and Payment
- Reporting/ Accounting
- Financial Management
- Performance Measurement and Evaluation
- Annual Audit and Examination

Chapter VII: Management

Serviamus MBA management ensures effective and efficient mobilization of a full fledged micro-insurance MBA to achieve strategic goals while meeting performance standards. It is important that Serviamus MBA monitors planned vs. actual results in terms of member mobilization, collections, claims processing, financial management including sources and uses of funds and MIS as well as the SEGURADO indicators.

Close collaboration and synergy between SFI and Serviamus MBA is imperative in the management process. Both institutions execute a Memorandum of Agreement before the start of operations. The Memorandum of Agreement defines the duties and responsibilities of SFI and Serviamus MBA in the operations cycle and establish the collection fee.

Serviamus MBA Manager ensures that the following planning, monitoring and evaluation, and compliance checklists are met:

Section 1. Planning

- Strategic business plan
- Member mobilization strategy
- Projected financial statements
- Sources and uses of funds
- Operations plan and manual
- Staffing and capacity building
- Risk management plan
- Monitoring and evaluation plan

Section 2. Monitoring and Performance Evaluation

- Variances in financial statements
- Variances in planned policies, practices and procedures
- SEGURADO indicators

S – olvency and stability
 E – fficiency and Earnings
 G – overnance
 U – nderstanding and members participation
 R – isk Management
 A – ffordability
 D – evelopment
 O – utreach

Section 3. Compliance to Regulatory Requirements (Insurance Commission)

<u>DIVISION</u>	<u>REPORT</u>	<u>FREQUENCY</u>
1. Statistics & Research	a. Negative List of Officers and Employees	Quarterly
	b. Statistical Report	Quarterly
	c. Corporate Governance	Annually
	d. Biographical Data (Biodata) of Members of the Board of Directors/Trustees and list of Officers	Annually
2. Investments	a. Report of Investment Made and Sold or Disposed of	N/A
3. Reinsurance	a. Particulars of Reinsurance Treaties (Sec. 220)	Annually
4. Examination	a. Submission of Annual Statement (Sec.224)	Annually
	b. Accreditation of External Auditors	Annually
	c. Accomplishment Self-Rating Form	Annually
	d. AMLA/CFT Manual	Annually
5. Actuarial	a. Minimum Requirements for Approval of Life Insurance Products	As per request for approval of ins. Products
	b. Minimum Requirement from the Approval of Insurance Plans/forms of policy, certification of contract of Insurance, applications, riders, clauses, warranty or endorsement (Sec. 226)	

Chapter VIII: Governance

Good governance ensures maximum participation and empowerment of Serviamus MBA members in accordance with its Vision-Mission-Objectives, its articles of incorporation and by laws while meeting regulatory and certified performance standards. It is

important that Serviamus MBA management monitors its SEGURADO indicators and extent of member participation in ownership and governance.

Serviamus MBA board guides the association in fulfilling its organizational mission and protects Serviamus MBA's assets over time. Its roles and functions are elaborated in Serviamus MBA's Constitution and By-Laws attached as Annex B.

Section 1. Board Election

The seven (7) Trustees shall be elected by the active members with existing loans funded by the Serviamus Foundation, Inc;

Seven (7) trustees shall consist from Members, SFI BOT, and SFI staff. The Election is conducted during General Assembly. During election, the nominees must come from SFI BOT, SFI staff who member of Management Committee (MANCOM), and two (2) representative members of all SFI Branches and Affiliate groups.

Section 2. Independent Board Members

The two (2) independent trustees shall be elected by the majority of its members upon the nomination of nomination committee of the Board of Trustees.

Section 3. Self-Assessment Checklist

In line with corporate governance principles and leading practices, Serviamus MBA board annually accomplishes the Self-Assessment Questionnaire to evaluate level of observance of the different principles of good governance.

Annexes

- a. Implementing Rules & Regulations*
- b. Constitution & By Laws*
- c. Forms*

- *Note: Serviamus MBA Vision, Mission subject to change after Strategic Planning.*